Before the
Federal Communications Commission
Washington, D.C., 20554

In the Matters of	)	
	)	
In Re: Delete, Delete, Delete	)	GN Docket No. 25-133
	)	

RE: DELETE, DELETE, DELETE

I. Introduction

iconectiv, LLC[1] submits these brief comments in response to the Federal Communication Commission's ("FCC" or "Commission") Public Notice seeking input on identifying and eliminating unnecessary regulatory burdens. In determining which regulations to remove, the Commission is evaluating several key factors, including cost-benefit analyses and marketplace and technological changes.[2] Consistent with those considerations, the Toll-Free Numbering Administrator ("TFNA") should be transitioned to a competitive procurement process to align with the goals of deregulation by reducing the FCC's resource-intensive oversight burden while fostering greater competition.

iconectiv petitioned the Commission on June 11, 2020, to request that the FCC transition the TFNA tariff to a competitive bidding process.[3] Costs and charges for the SMS/800 database continue

[1] iconectiv is a leading global telecommunications company specializing in network management, numbering solutions, and security services. Known for its expertise in numbering database management, iconectiv ensures the seamless routing of calls and texts while supporting number portability and fraud prevention. As the Local Number Portability Administrator ("LNPA") in the U.S., iconectiv oversees the critical database that enables smooth number transfers. iconectiv also provides porting database services worldwide. Additionally, as the administrator of the Internet-based Telecommunications Relay Service ("iTRS") numbering system, iconectiv plays a vital role in facilitating accessible communications for individuals with hearing or speech disabilities.

[2] *In Re: Delete, Delete, Delete*, Public Notice, DA 25-219, GN Docket No. 25-133 at 2–3 (rel. March 12, 2025).

[3] Petition of iconectiv, LLC for Competitive Procurement of the Toll Free Numbering

to rise inexplicably, and without transparency, it is clear that the dominant carrier tariffing regime is not capable of disciplining those costs and charges. The use of dominant carrier tariffing is outdated and contrasts sharply with the pro-competitive, contract-based approach the Commission has taken with other numbering administrator roles. Transitioning the TFNA role to a competitive procurement process would significantly reduce the Commission's regulatory burdens and align with the deregulatory initiatives.

II. Competitively Bidding the TFNA Aligns with Commission Goals

Transitioning the TFNA to a competitive procurement process would create a more efficient system that benefits the Commission, the industry, and consumers. By shifting away from the current tariff-based model—which requires extensive regulatory oversight—the Commission can reduce its resource-intensive burden while fostering greater competition. A competitive model would allow market forces to regulate costs and service quality, ensuring the industry secures the best services at fair, market-driven prices.

As discussed further below, the existing tariff-based system requires detailed Commission review of the SMS/800 provider's costs and expenses to ensure they are prudent and reasonable. This process involves extensive scrutiny and regulatory oversight, which is both time-consuming and resource-intensive for the Commission. Without market forces to drive cost-effectiveness and efficiency, the Commission must step in to prevent unreasonable rates, avoid monopoly cross-subsidization, and ensure fair pricing for consumers. This heavy-handed cost and expense review is burdensome and could be avoided by conducting a competitive procurement to allow market dynamics to naturally regulate costs, reduce administrative overhead, and promote transparency. This shift would also foster innovation and efficiency, ultimately benefiting the industry through

Administrator Role, WC Docket No. 17-192, CC Docket No. 95-155 (filed June 11, 2020).

lower rates and improved service quality and also enables the Commission to focus its resources on other critical priorities while maintaining essential protections for toll-free ratepayers.

III. The TFNA Tariff System is Outdated

The existing TFNA operates under a monopoly tariff system originally applied to the Regional Bell Operating Companies ("RBOCs") as a dominant carrier. The current administrator has long-since succeeded the RBOC, but still operates under this vestige of a bygone regulatory era. The Commission recognized the manifold deficiencies of dominant carrier rate-of-return regulation over 35 years ago when it shifted from rate-of-return to incentive regulation:

> The distorted incentives created by rate of return regulation are easily illustrated. In a competitive environment, where prices are dictated by the market, a company's unit costs and profits generally are related inversely. If one goes up, the other goes down. Rate of return regulation stands this relationship on its head. Although carriers subject to such regulation are limited to earning a particular percentage return on investment during a fixed period, a carrier seeking to increase its dollar earnings often can do so merely by increasing its aggregate investment. In other words, under a rate of return regime, profits (i.e., dollar earnings) can go up when investment goes up. This creates a powerful incentive for carriers to "pad" their costs, regardless of whether additional investment is necessary or efficient.[4]

A key "difficulty associated with administering rate of return regulation relates to its requirement that determinations be made about how to allocate a carrier's costs among services that often are provided jointly or in common. Such determinations tend to become more economically problematic as they become more detailed."[5] "The dynamic process that produces socially beneficial results in a competitive environment is strongly suppressed [by rate-of-return regulation]. In fact, rather than encourage socially beneficial behavior by the regulated firm, rate of return actually discourages it."[6]

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[4] *Policy and Rules Concerning Rates for Dominant Carriers*, Report and Order and Second Further Notice of Proposed Rulemaking, 4 FCC Rcd. 2873, 2889–90 ¶ 30 (1989) (cleaned up) ("*AT&T Price Cap Order*").

[5] *Id.* at 2890 ¶ 32.

[6] *Id.* at 2889 ¶ 29.

The current TFNA tariff system lacks the checks and balances necessary for efficient and transparent administration, leading to steadily increasing costs and prices. The tariffing process is opaque, providing limited visibility into the details of the costs the incumbent recovers from its users. This lack of transparency makes it difficult for the Commission and users to evaluate the reasonableness of the rates. Competitive procurement would modernize this structure, bringing it in line with other numbering administrator roles that have successfully operated under competitive contract-based approaches, as well as the Commission's move to incentive regulation for nearly all rate-regulated services and subsidies. A competitive bidding process would 1) drive more disciplined cost management and transparency, 2) include operational performance measurements and service level agreements ("SLAs"), ensuring better service, 3) mandate cybersecurity frameworks, and 4) improve alignment with industry needs. Ultimately, benefits would be passed down to American consumers.

IV. Competitive Bidding Will Result in Cost Savings and Efficiency

The Commission noted in 2017, "[a]s a non-profit organization, Somos is only allowed to recover operating costs."[7] Part of the Commission's rationale in allowing Somos to reorganize as a non-profit membership was that "any savings realized as a result of SMS/800, Inc.'s corporate restructuring is likely to be reflected in lower tariffed rates for RespOrgs, which should in turn lead to lower charges for toll free subscribers."[8] Those cost savings have not been realized. Instead, the existing tariff-based approach has led to increasing costs year-over-year for toll-free administration, with little transparency into the reasons behind these increases.

A competitive procurement process would provide greater assurance that the industry is

[7] *Toll Free Assignment Modernization; Toll Free Service Access Codes*, Notice of Proposed Rulemaking, 32 FCC Rcd. 7885, 7899 ¶ 43 (2017).

[8] *Id.*

paying fair and reasonable rates, as the selected administrator would be incentivized to minimize costs and operate efficiently to maintain their contract. A competitive bidding process will likely reduce costs for Responsible Organizations ("RespOrgs"), and ultimately American consumers. For example, the competitive selection of the LNPA significantly reduced costs.

V. Transparency and Accountability Improve with Competitive Bidding

The existing system's reliance on a monopoly tariff structure results in significant transparency and accountability issues. Redacted tariff cost support information limits visibility into the costs that the TFNA recovers from its users. This lack of transparency makes it difficult for RespOrgs and other stakeholders to assess the reasonableness of the rates they are being charged. Much of the detailed cost information is provided to the Commission under confidential cover, meaning that it is not accessible to the public or industry participants. Because external review is frustrated by the lack of publicly available tariff support filings, review of the TFNA's compliance with these requirements falls almost entirely on the Commission. In contrast, a multi-year competitively allocated contract would offer significantly greater transparency compared to the current annual tariff system and substantially alleviate the Commission's ongoing oversight responsibilities.

The opacity of the tariff filings also means that RespOrgs and other users have little or no insight into how costs are allocated, particularly common costs between the tariffed service and the TFNA's other business ventures. As the Commission noted when switching from rate of return regulation to price caps, "[t]here appears to be little disagreement that, under rate of return, carriers have an incentive to shift the costs of nonregulated, competitive activities onto regulated, less competitive services."[9] The same is true here, where costs from competitive, non-regulated activities

[9] *AT&T Price Cap Order* at 2911 ¶ 84.

could be unfairly imposed on the captive ratepayers of the SMS/800 tariff. Without transparency, there is no way for RespOrgs to verify that they are not subsidizing unrelated services or ventures.

VI. Conclusion

In conclusion, transitioning the TFNA to a competitive procurement process would significantly reduce the Commission's regulatory burdens and align with deregulatory initiatives. Currently, those who must purchase under the tariff are left unable to evaluate the reasonableness of the rates due to redacted information, leaving this responsibility entirely on the Commission's shoulders. By adopting a competitive procurement process, the Commission can leverage market forces to ensure fair pricing and transparency, thereby alleviating its regulatory burden and enhancing efficiency, achieving the goal of the "Delete, Delete, Delete" docket.

Respectfully submitted,

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